

CAI  
Z1  
-36T22

Mr. Lawson  
J. McKee  
Ex 1232

Canada Textile Industry, Royal Commission  
Exhibit No. 1232



ROYAL COMMISSION ON THE TEXTILE INDUSTRY

DOMINION TEXTILE COMPANY LIMITED

STATEMENTS AS TO INVESTED CAPITAL AND EARNINGS  
1905 - 1936

351736  
14.6.38.

CLARKSON, GORDON, DILWORTH, ~~GILFOYLE~~ & NASH  
CHARTERED ACCOUNTANTS  
OTTAWA, CANADA





Digitized by the Internet Archive  
in 2024 with funding from  
University of Toronto

Copy of 4 Hudson notes of  
shore holders. 27<sup>th</sup> Jan 1900  
Who were there: —

Glosses

No reason to dispute the value  
in the books: —

Hall's position existence —  
Elimination of competition —



## ROYAL COMMISSION ON THE TEXTILE INDUSTRY

## DOMINION TEXTILE COMPANY LIMITED

STATEMENT AS TO SECURITIES ISSUED UPON ACQUISITION  
OF CONSTITUENT COMPANIESActual Capital Glosco

The Company issued in 1905:

Bonds	\$3,058,400.00
Preferred Shares, par value	1,440,400.00
Common Shares, par value	5,000,000.00 +

\$9,498,800.00

The Company later also paid cash as a premium  
to minority shareholders

177,109.91

Total cost to Company of acquisition

\$9,675,909.91

The Company received for the above the following  
tangible assets:

(1) Cash \$ 500,000.00

(2) Shares of constituent companies,  
representing the following net assets:Land, buildings, plant  
and machinery \$10,892,706.17 —

Less: Liabilities assumed

Bonded indebtedness \$4,013,660.00

Deficit of working

capital 108,414.45 4,122,074.45

Net assets of constituent companies

6,770,631.72

Total tangible assets received

\$7,270,631.72

~~Deduct the total consideration given by the  
Company in bonds, preferred shares and cash~~

4,675,909.91

Balance representing net tangible assets received  
in respect of \$5,000,000 par value Common  
Stock issued

\$2,594,721.81

Common Stock Cash

3000000

1971860

Free Reserves

5999163

Surplus

10,991,024

Add

Preferred Stock

1940600

Surplus on  
acquired Assets  
1905

2094721

15006345

Less  
Bond Debt

15,006,345

Cash

Requires

14926732

1936

6375,000

2179473

5393.422

13,947,896

1940600

2094721

17983217

318280

17664967

17983218



ROYAL COMMISSION ON THE TEXTILE INDUSTRY

DOMINION TEXTILE COMPANY LIMITED

STATEMENT AS TO EARNINGS AND CAPITAL INVESTMENT  
INCLUDING ADDITIONS TO FIXED ASSET VALUES RESULTING FROM THE 1920 APPRAISAL

YEARS 1920 TO 1936

How did they increase

Year	Total Invested Capital - Cost Basis	Portion of Increase in values indicated by 1920 appraisal subsequently capitalized	Total value of investment as reflected by Capital Structure	Earnings - adjusted for fluctuations in Reserves	Ratio of adjusted earnings to indicated value of investment %
1920 *	\$ 9,887,379.75	755,110.00 2,337,219.03 No value just to	\$19,724,598.78	\$ 963,122.11	4.88
1921	10,500,618.51	9,837,219.03	20,337,837.54	1,249,080.76	6.14
1922	11,420,677.64	9,837,219.03	21,257,896.67	1,655,901.13	7.79
1923	14,270,927.09	9,837,219.03	24,108,146.12	1,156,894.45	4.80
1924	14,417,571.91	9,837,219.03	24,254,790.94	1,182,486.82	4.88
1925	14,591,223.84	9,837,219.03	24,428,442.87	1,209,493.93	4.95
1926	14,926,732.74	9,837,219.03	24,763,951.77	1,596,350.90	6.45
1927	16,162,556.51	9,837,219.03	25,999,775.64	2,496,665.87	9.60
1928	16,495,227.83	9,837,219.03	26,332,446.86	1,593,513.22	6.05
1929	20,236,983.72	9,837,219.03	30,074,202.75	1,683,447.89	5.60
1930	20,505,604.30	9,837,219.03	30,342,823.33	1,754,266.33	5.78
1931	20,523,120.54	9,837,219.03	30,360,339.57	1,503,358.24	4.95
1932	20,370,834.94	9,837,219.03	30,208,053.97	1,333,556.40	4.41
1933	18,337,809.58	9,837,219.03	28,175,028.61	614,683.36	2.18
1934	18,840,615.14	9,837,219.03	28,677,834.17	1,718,647.56	5.99
1935	18,471,632.87	9,837,219.03	28,308,851.90	1,116,859.73	3.95
1936	17,983,218.22	9,837,219.03	27,820,437.25	997,427.35	3.59
TOTAL				22,596,389.33 23,465,772.00 24,896,389.33	
Average	\$16,349,572.66	\$9,837,219.03	\$26,186,791.69	\$ 1,329,199.31	5.08

Unimpaired Reserve 1,200,000  
This for dividends 1,000,000

less 21  
14,417,571.91

if we deduct 2,100,000  
+ 9,537,219.03 = 70% comp would be over 10%  
B 1,000,000  
10 years 10%  
10 years 10%  
10 years 10%







## ROYAL COMMISSION ON THE TEXTILE INDUSTRY

## DOMINION TEXTILE COMPANY LIMITED

STATEMENT AS TO INVESTED CAPITAL AND EARNINGS THEREON  
AS TAKEN FROM THE BOOKS OF THE COMPANY AND THE ANSWERS TO THE QUESTIONNAIRE  
AND ADJUSTED TO ELIMINATE CONSIDERATION FOR COMMON SHARES NOT REPRESENTED BY TANGIBLE ASSETS

YEARS 1906 - 1936

Year	Preferred Shares	Common Shares (Tangible consideration only)	Accumulated Surplus	X Reserves	Total Invested Capital	Earnings - adjusted for fluctuation in reserves	Ratio of Earnings to Invested Capital
1906	\$1,854,396.67	\$2,594,721.81	\$117,594.85		\$4,566,713.33	\$279,562.60	6.12%
1907	1,858,088.33	2,594,721.81	403,594.05		4,856,404.19	416,334.01	8.57
1908	1,858,088.33	2,594,721.81	447,994.91		4,900,805.05	424,467.86	8.66
1909	1,858,115.35	2,594,721.81	457,173.28		4,910,008.48	389,247.12	7.93
1910	1,859,030.00	2,594,721.81	492,905.59		4,946,657.40	415,829.53	8.41
1911	1,859,030.00	2,594,721.81	530,011.29	\$500,000.00	5,483,763.10	917,342.70	16.73
1912	1,864,373.33	2,594,721.81	630,235.66	700,000.00	5,789,330.80	680,709.34	11.76
1913	1,911,000.00	2,594,721.81	779,958.92	1,000,000.00	6,285,680.73	856,119.01	13.62
1914	1,924,700.00	2,594,721.81	829,379.65	500,000.00	6,848,801.46	1,525.52	0.27
1915	1,925,975.00	2,594,721.81	881,926.30	500,000.00	5,908,623.11	487,416.52	8.26
1916	1,925,975.00	2,594,721.81	1,093,534.44	500,000.00	6,114,231.25	646,428.14	10.57
1917	1,940,600.00	2,594,721.81	1,444,166.91	500,000.00	6,479,486.72	785,963.47	12.13
1918	1,940,600.00	2,594,721.81	2,189,194.98	500,094.77	7,224,611.56	1,230,964.84	17.04
1919	1,940,600.00	2,594,721.81	3,349,083.06	1,575,694.77	9,460,099.64	2,771,530.08	29.29
1920	1,940,600.00	2,594,721.81	4,053,044.52	1,899,013.42	9,887,379.75	963,122.11	9.74
1921	1,940,600.00	2,594,721.81	4,636,391.63	1,328,705.07	10,500,618.51	1,249,080.76	11.90
1922	1,940,600.00	2,594,721.81	5,007,700.57	1,877,655.26	11,420,677.64	1,685,901.13	14.50
1923	1,940,600.00	2,594,721.81	5,359,913.51	1,875,694.77	14,270,927.09	1,156,894.45	8.11
1924	1,940,600.00	2,594,721.81	5,390,002.90	1,992,247.20	14,417,571.91	1,182,486.82	8.20
1925	1,940,600.00	2,594,721.81	5,665,017.16	1,890,884.87	14,591,223.84	1,209,493.93	8.29
1926	1,940,600.00	2,594,721.81	5,999,163.73	1,892,247.20	14,926,732.74	1,596,350.90	10.69
1927	1,940,600.00	2,594,721.81	6,529,987.60	2,597,247.20	16,126,556.61	2,496,665.87	15.45
1928	1,940,600.00	2,594,721.81	6,862,658.82	2,597,247.20	16,495,227.63	1,593,513.22	9.66
1929	1,940,600.00	2,594,721.81	7,211,414.71	2,615,247.20	20,236,983.72	1,683,447.89	8.32
1930	1,940,600.00	2,594,721.81	7,498,035.29	2,597,247.20	20,505,604.30	1,774,266.33	8.56
1931	1,940,600.00	2,594,721.81	7,515,561.53	2,597,247.20	20,583,120.54	1,503,358.24	7.33
1932	1,940,600.00	2,594,721.81	7,363,265.93	2,597,247.20	20,370,834.94	1,333,556.40	6.55
1933	1,940,600.00	2,594,721.81	5,567,122.93	2,360,364.84	18,337,809.56	614,683.36	3.35
1934	1,940,600.00	2,594,721.81	6,013,595.90	2,416,697.43	18,840,615.14	1,718,647.56	9.12
1935	1,940,600.00	2,594,721.81	5,825,876.89	2,236,435.17	18,471,638.87	1,116,859.73	6.05
1936	1,940,600.00	2,594,721.81	5,393,422.74	2,179,473.67	17,983,218.22	997,427.35	5.55
Total						\$32,682,118.83	
Average	1,919,702.26	4,594,721.81	3,727,068.26	1,394,377.15	11,635,860.48	1,060,715.61	9.12

Note: Sundry Reserves appearing on books, including Raw Cotton Reserve, Investment Reserve, Contingent Reserve, etc.

7. Sundry reserves charged  
Repairs -  
Depreciation.

Calculate the average  
with Preferred Stock dividends  
and add 2,094,721.81 = Average 12.15%

after charging off over  
\$1,000,000 loss on  
dividends

Composite 917 P9

+3.19  
Not important

1,000,000 loss from 1840 to 1936

no record in books  
Reserves

Earnings - adjusted  
for fluctuation  
in reserves

Ratio of  
Earnings to  
Invested Capital

2 years of 1936 books  
2 years of 1936 old  
company balance sheet  
\$2,094,721.81

Insurance appraisal in  
Today's value 40% less than  
in 1920.

Total Profit add Inventory Reserve  
 15,843,303.03  
 13,600,960.00  
 17,203,399.03

On Norris statement is as follows  
 Cond of Plant. 826 854,927.87  
 Depreciation 20 514,591.79  
 Net 624,0336.08  
 Book Value. 15,172,276.11  
 Net 624,0336.08  
 Profits 11,831,940.03

Insurance Appraisal - 22,183.633  
 Book Value 15,172,276  
 4,011,357  
 Profits above 11,831,946.03  
 Total Profit \$ 16,843,363.03



## ROYAL COMMISSION ON THE TEXTILE INDUSTRY

## DOMINION TEXTILE COMPANY LIMITED

STATEMENT SHOWING FIXED ASSETS AT 31ST MARCH 1936  
AS APPEARING IN THE BOOKS OF THE COMPANY

Cost value of fixed assets per books  
as at 31st March 1936:

Land	\$ 1,991,920.95
Buildings	8,761,873.86
Machinery and Equipment	18,095,854.06

## Added values:

Per value of shares issued and cash  
paid in excess of book value of  
tangible assets acquired from  
constituent companies (1905-1917)

Write-up in 1923

Appraisal in 1920 indicated additional  
values of \$10,459,536.63, of which  
the book values were adjusted to  
reflect a part

## Deductions:

Depreciation and write-offs, exclusive of  
losses on assets disposed of which have  
been deducted from the "Cost Value"  
stated above -

Buildings	\$ 3,002,843.51
Machinery and Equipment	16,070,180.81

Provision for obsolescence of Verdun plant

Net Book Value, 31st March 1936

\$ 1,991,920.95  
8,761,873.86  
18,095,854.06

\$28,849,648.87

2,094,121.87

\$26,755,526.99

\$ 2,337,219.03

7,500,000.00

9,837,219.03

\$36,592,745.99

\$19,073,024.32

20,514,591.79

\$16,172,276.11

Alleged Profit on plant was largely as shown in 1924-25





## ROYAL COMMISSION ON THE TEXTILE INDUSTRY

## DOMINION TEXTILE COMPANY LIMITED

STATEMENT SHOWING ANNUAL EARNINGS ON INVESTED CAPITAL AND ADJUSTMENTS THERETO,  
TAKEN FROM THE COMPANY'S RECORDS

Year	Net Earnings available for Dividends	Additions and Deductions due to variation in Reserves	Losses charged to Surplus	Adjusted Earnings
1906	\$ 279,562.60			\$ 279,562.60
1907	416,334.01			416,334.01
1908	424,467.86			424,467.86
1909	389,247.12			389,247.12
1910	415,869.33			415,869.33
1911	417,242.70	\$ 500,000.00		917,242.70
1912	480,709.34	200,000.00		680,709.34
1913	556,119.01	300,000.00		856,119.01
1914	484,074.48	500,000.00		15,925.52
1915	487,416.52			487,416.52
1916	646,428.14			646,428.14
1917	785,963.47			785,963.47
1918	1,230,870.07	94.77		1,230,964.84
1919	1,695,730.08	1,075,600.00		2,771,330.08
1920	1,239,803.46 <sup>+</sup>	276,681.35		963,122.11 <sup>TL</sup>
1921	1,219,339.11 <sup>+</sup>	29,691.65		1,249,030.76 <sup>TJ</sup>
1922	1,106,950.94	548,950.19		1,655,901.13
1923	1,158,854.94	1,960.49		1,156,894.45
1924	1,065,934.39	116,552.43		1,182,486.82
1925	1,310,856.26	101,362.33		1,209,493.93
1926	1,594,988.57	1,362.33		1,596,350.90
1927	1,791,665.87	705,000.00		2,496,665.87
1928	1,593,513.22			1,593,513.22
1929	1,665,447.89	18,000.00		1,683,447.89
1930	1,772,266.33	18,000.00		1,754,266.33
1931	1,503,358.24			1,503,358.24
1932	1,333,556.40			1,333,556.40
1933	622,199.00	236,882.36	\$1,000,000.00	614,683.36
1934	1,822,437.82	56,332.59	160,122.85	1,718,647.56
1935	1,298,121.99	181,262.26		1,116,859.73
1936	1,053,388.85	55,961.50		997,427.35
Total	\$31,862,768.01	\$2,179,473.67	\$1,160,122.85	\$32,882,118.83

Preferred Stock  
dividends - 4196266.40

32,882,118.83  
4196266.40  
28,686,853.43

Amount for Common Stock

See P 7 & 917

Losses in  
Plant, etc.

Document  
Transfer of funds  
not lost in bank operation









